

**265—26.6 (16) Planning and design loans.**

**26.6(1) *Timing of loan.*** Prior to a recipient's execution of a loan agreement for project construction, funds may be loaned to the recipient to pay for initial eligible costs, including the cost of facility planning and design engineering.

**26.6(2) *Duration.*** Planning and design loans may not have a duration of longer than three years from their date of execution, unless the director provides written consent to a longer term.

**26.6(3) *Interest rate.*** The interest rate will be that rate specified in the most recent IUP.

**26.6(4) *Rollover to construction loan.*** All funds borrowed by the recipient as a planning and design loan may be financed as a part of a construction loan agreement upon expiration of the term of the planning and design loan.

**26.6(5) *Repayment.*** If the recipient does not execute an SRF construction loan, the planning and design loan shall be paid in full at the end of the three-year term, unless the loan term is extended by written consent of the director.

[ARC 8079B, IAB 8/26/09, effective 8/7/09]